

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2019-226-E

IN RE:)	SOUTH CAROLINA SOLAR
South Carolina Energy Freedom Act)	BUSINESS ALLIANCE, SOUTHERN
(House Bill 3659) Proceeding)	ALLIANCE FOR CLEAN ENERGY
Related to S.C. Code Ann. Section)	AND SOUTH CAROLINA COASTAL
58-37-40 and Integrated Resource)	CONSERVATION LEAGUE
Plans for Dominion Energy South)	RESPONSE TO DOMINION ENERGY
Carolina, Incorporated)	SOUTH CAROLINA, INC.'S
)	PETITION FOR RECONSIDERATION
)	OR REHEARING

The Southern Alliance for Clean Energy (“SACE”), South Carolina Coastal Conservation League (“CCL”), and South Carolina Solar Business Alliance (“SBA”) (collectively, “Respondents”) by and through counsel, hereby respond to the Petition for Rehearing or Reconsideration (“Petition”) filed by Dominion Energy South Carolina, Inc. (“Dominion” or “DESC”) pursuant to S.C. Code Ann. § 58-27-2150 and S.C. Code Ann. Regs. 103-825.

INTRODUCTION AND SUMMARY OF RESPONSE

On December 23, 2020, the South Carolina Public Service Commission (“Commission”) issued Order No. 2020-832 (“Order”) rejecting DESC’s 2020 Integrated Resource Plan (“IRP”) for its failure to meet the requirements of the Energy Freedom Act (“EFA”) and ordering DESC to file a Modified IRP incorporating a variety of the recommendations from intervenors in the proceeding. The Order also established several requirements for DESC’s future IRP filings, including its 2022 IRP Update and its next

full IRP in 2023. On January 4, 2021, DESC filed a Petition requesting reconsideration of two of the Commission's findings and conclusions in the Order.

First, DESC requests that the Commission extend its deadline for conducting the near-term solar analyses required by the Order by an additional 30 days. In the interest of ensuring that the near-term solar analyses in the Modified Integrated Resource Plan ("IRP") fully comply with the substantive requirements of the Order, Respondents have no objection to this request.

Second, DESC requests that the Commission reconsider its decision to require that DESC convene a collaborative stakeholder process to, among other things, select a capacity expansion modeling software for implementation in its 2022 IRP. The Order also specifies that collaborative members evaluate the choice of software using a list of criteria, noting that "particular attention" should be given to model transparency and the availability of licenses and software manuals to intervenors. Order 2020-832 at 29; Hrg. Ex. 6. On this issue, DESC has failed to show that the Commission's determinations were in error. DESC's stated grounds for reconsideration are that it has already begun implementation of PLEXOS for its 2022 IRP Update and that the selection of a new model is unnecessary given the capabilities of the PLEXOS software. However, these issues were clearly anticipated by the Commission in the Order itself, which states that the Commission "recognizes that Dominion Energy has selected the PLEXOS model for its operating utilities," but finds that "[g]iven the importance of the choice of model...the Commission concludes that it is reasonable to require DESC to engage interested parties in this proceeding in a collaborative process to choose a capacity expansion model for the 2022 IRP Update and future IRP proceedings." Id. at 29.

In making this finding, the Commission relied on substantial pre-filed and hearing testimony that not only addressed the capabilities needed in a capacity expansion model, but also the value of a stakeholder process and the importance of model transparency, such as by ensuring intervenors have access to model manuals and licenses. *Id.* at 27-28. The EFA provides that the Commission may only approve the “*most* reasonable and prudent” plan; here, the Commission in its Order already took into account DESC’s prior selection of PLEXOS but nevertheless decided that the relatively small inconvenience and cost from potentially changing models were outweighed by the value of holding a stakeholder process to carefully consider the best model choice.

Finally, Respondents would note that the Order does not preclude the selection of PLEXOS for the 2022 IRP, provided that DESC holds a stakeholder process and the PLEXOS model satisfies the criteria outlined in Hearing Exhibit 6. Far from paying “particular attention” to the criteria identified in the Order, DESC’s Petition fails to mention them or to demonstrate how its prior choice of PLEXOS meets these criteria.

In sum, the Commission’s findings and conclusions related to capacity expansion modeling were supported by substantial evidence in the record and DESC’s Petition fails to demonstrate that those findings were in error; as such, the Commission should deny DESC’s request for reconsideration on that issue.

STANDARD OF REVIEW

Pursuant to S.C. Code Ann. § 58-27-2150, a party may apply to the Commission for a rehearing in respect to any matter determined in the proceeding. “The purpose of the petition for rehearing and/or reconsideration is to allow the Commission the discretion to rehear and/or reexamine the merits of issued orders, pursuant to legal or factual questions

raised about those orders by parties in interest, prior to a possible appeal.” In re: South Carolina Electric & Gas Co., Order No. 2013-5 (Feb. 14, 2013). S.C. Code Ann. Regs. 103-825 (A)(4) provides that a Petition for Rehearing or Reconsideration shall set forth clearly and concisely the factual and legal issues forming the basis for the petition, the alleged error or errors in the Commission Order, and the statutory provision or other authority upon which the petition is based.

The Commission must have substantial evidence to support its decisions. Porter v. S.C. Public Service Comm’n, 333 S.C. 12, 20 (1998). The South Carolina Supreme Court employs a deferential standard of review when reviewing a Commission decision and will affirm decisions supported by substantial evidence. See Kiawah Property Owners Group v. Public Service Comm’n of S.C., 357 S.C. 232, 593 S.E.2d 148, 151 (2004). Commission findings are presumptively correct, and the party challenging a Commission order bears the burden of convincingly proving that the decision is clearly erroneous, arbitrary or capricious, or an abuse of discretion, in view of the substantial evidence on the whole record. Id. Substantial evidence is relevant evidence that, considering the record as a whole, a reasonable mind would accept to support an administrative agency's action. The Commission must, however, fully document its findings of fact and base its decision on reliable, probative, and substantial evidence on the whole record. Id. It must make findings which are sufficiently detailed to enable the Court to determine whether the findings are supported by the evidence and whether the law has been applied properly to those findings. Id.

The applicable law for the review of the Commission’s findings in this proceeding is the Energy Freedom Act, which provides requirements for the filing and review of utility

IRPs. The EFA further requires that S.C. Code Ann. § 58-37-40(B)(1) states that utility IRPs must include, among other elements, “[s]everal resource portfolios developed with the purpose of fairly evaluating the range of demand-side, supply-side, storage, and other technologies and services available to meet the utility's service obligations.” S.C. Code Ann. § 58-37-40(B)(1)(e). The EFA provides that the Commission may only approve a utility's IRP if it finds that “the proposed integrated resource plan represents the *most* reasonable and prudent means of meeting the electrical utility's energy and capacity needs as of the time the plan is reviewed.” S.C. Code Ann. § 58-37-40(C)(2)(Supp. 2019) (emphasis added).

ARGUMENT

I. Findings Related to the Near-Term Solar Analysis

Respondents support the request by DESC for a thirty-day extension of the Near-Term Solar Analysis. As noted by DESC in its Petition, the primary driver of an expedited timeline to complete the Near-Term Solar Analysis was an anticipated step-down of the Federal Investment Tax Credit at the end of 2021. Respondents agree that Congress’s two-year extension of the Federal Investment Tax Credit in its 2021 Consolidated Appropriations Act alleviates some of the time pressure associated with completing the Near-Term Solar Analysis, and believe DESC’s proposal is reasonable with regard to the incorporation of the Near-Term Solar Analysis into the modeling of the other resource plans within 60 days, as provided for within the original Order.

II. Findings Related to Capacity Expansion Modeling

- A. The Commission's finding that DESC be required to hold a stakeholder process in advance of the 2022 IRP Update was based on substantial evidence in the record.

DESC's stated grounds for reconsideration are (1) that Dominion Energy as a whole has already begun implementation of PLEXOS across its operating companies, and reassessing this choice for DESC would disrupt this effort and potentially cause delay; and (2) that the selection of a new model is unnecessary given the capabilities of the PLEXOS software. Petition at 10.

As an initial matter, DESC has failed to demonstrate that the Commission's conclusions were in error, as each of these issues was addressed at length through witness testimony and—as shown by the language in the Order itself—anticipated by the Commission in making its decision. The Order provides that the Commission “recognizes that Dominion Energy has selected the PLEXOS model for its operating utilities,” but nevertheless finds that “[g]iven the importance of the choice of model...the Commission concludes that it is reasonable to require DESC to engage interested parties in this proceeding in a collaborative process to choose a capacity expansion model for the 2022 IRP Update and future IRP proceedings.” Order at 29.

Contrary to DESC's claim that the Commission's decision is based on an “inaccurate picture of the capabilities and accessibility of the PLEXOS modeling software,” Petition at 4, the Commission's conclusion follows four full pages of the Order summarizing the substantial testimony provided by Office of Regulatory Staff, SBA, Sierra Club, SACE/CCL, and DESC witnesses related to both the capabilities of the PLEXOS software and DESC's planned implementation of PLEXOS for its next IRP. *Id.* at 24-28.

The Order reflects the Commission's decision that choosing a capacity expansion model for DESC's future IRPs involves important considerations beyond identifying a capacity expansion model by brand name

In its review of evidence supporting the use of a stakeholder process to select a capacity expansion model, the Commission relied on SACE/CCL witness Anna Sommer's recommendation that DESC should engage stakeholders in the choice of a capacity expansion model. Id. at 17. The Commission also relied on witness Kenneth Sercy's testimony that the choice of software "hinges on the capabilities needed to ensure the model is providing valuable information to the IRP process..." Mr. Sercy stressed that "due diligence is necessary in identifying the best software to use." Id. Based on this evidence, the Commission made a valid determination that DESC be required to hold a stakeholder process to carefully vet the capabilities and transparency of PLEXOS and other models in search of the best and most transparent modeling tool.

The Petition further states that the Commission's decision to order DESC to acquire modeling software licenses for intervenors has no basis in law or fact, and that PLEXOS is sufficiently transparent because it is able to produce all inputs and outputs in Excel format. Petition at 12-13. However, this argument also ignores the substantial evidence on the record discussing the transparency concerns associated with the PLEXOS software. Specifically, as the Order noted, DESC Witness Eric Bell testified that licenses for PLEXOS cost "hundreds of thousands of dollars to access." Order at 28. The Order also referenced SACE/CCL Witness Sommer's testimony stating that not only model inputs and outputs, but also licensing terms and documentation must be accessible to intervenors. Id. at 29 (citing Hrg. Ex. 6). Witness Sommer also provided in the record a list of evaluation

criteria used by another utility, DTE Energy, in choosing its IRP model. Order at 27 (citing Tr. p. 476.15, ll. 15-19). Based on this evidence, the Commission specifically ordered stakeholders to consider those criteria “*with particular attention to the criteria numbered 1-7 and 9-12,*” many of which address transparency and accessibility issues. Order at 29 (emphasis added). Notably, DESC’s Petition requests that the Commission allow it to use PLEXOS moving forward, but fails to mention these criteria or demonstrate how its prior choice of PLEXOS meets those criteria.

Given the Commission’s apparent careful consideration of these issues in its Order, DESC has failed to show that the Commission’s determinations were in error or not based on substantial evidence in the record, and its petition for reconsideration should be denied.

B. Neither Dominion Energy’s use of PLEXOS in its other service territories nor DESC’s prior selection of PLEXOS are sufficient grounds for reconsideration.

In support of reconsideration, DESC argues that Dominion Energy uses PLEXOS in its other service territories, that it has already expended time and resources implementing the PLEXOS model, and that adopting and implementing the use of capacity expansion software starting in the 2022 IRP Update would not be feasible if a stakeholder process is held. None of these is sufficient grounds for reconsideration.

First, it is clear that the Commission already considered Dominion’s use of PLEXOS in other jurisdictions; however, the Commission determined that additional transparency and stakeholder input was required to meet the goals and requirements of the EFA. Certainly, the Commission may find practices from other jurisdictions relevant in making a determination about the reasonableness of a utility’s actions; here, however, the Commission reviewed the fact that Dominion uses PLEXOS in other jurisdictions and

nevertheless decided to require more under South Carolina law. As such, it is not sufficient grounds for reconsideration.

Second, while DESC notes that it has already expended resources implementing PLEXOS, this too was already considered by the Commission in issuing its decision. Order at 27 (noting DESC Witness Bell's testimony that DESC is currently implementing a least-cost optimization model to use in future IRPs). And even if requiring DESC to consult with stakeholders regarding planning software leads to a different software package, the potential economic benefits to South Carolina ratepayers of better planning greatly exceed the costs and inconvenience to DESC of carefully following Order No. 2020-832.


Lastly, as to the issue of delay, DESC's Petition fails to provide any information about whether it could engage outside resources to speed up the process or what timeline might be required to fully implement the Order. And DESC's requested remedy is not to ask for additional time, but rather to ask that the Commission direct that DESC use PLEXOS and skip the collaborative stakeholder process altogether. DESC's requested remedy does not match its stated concerns and again, is not grounds for reconsideration on its own.

Overall, DESC's concerns about resources and time appear to reflect a misunderstanding of the importance, scope, and need to ensure scrutiny, buy-in, and complete transparency going forward with regard to capacity expansion modeling, in order to meet the goals of the EFA and Order No. 2020-832.

CONCLUSION

For the foregoing reasons, SACE, CCL, and SBA respectfully request that the Commission deny reconsideration of the Commission's Order as requested by DESC, except as to the issue of extending the deadline for DESC to update its solar modeling.

Respectfully,



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CERTIFICATE OF SERVICE

I certify that the following persons have been served with one (1) copy of Southern Alliance for Clean Energy, South Carolina Coastal Conservation League, and South Carolina Solar Business Alliance's Response to Dominion Energy South Carolina, Inc.'s Petition for Reconsideration by electronic mail at the addresses set forth below:

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s/ Kate L. Mixson